Supreme Court, U.S.
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No. 00-252

In The

Supreme Court of the United States

EXXON MOBIL CORPORATION,

Petitioner,

v.

KELLOGG COMPANY,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Sixth Circuit

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED FOR REVIEW

Petitioner Exxon Mobil Corporation intentionally discontinued use of its Cartoon Tiger for motor fuels in the 1980's, and thereby abandoned that mark. In the 1990's, Exxon re-introduced its Cartoon Tiger, and for the first time commenced using it to advertise and promote food products, beverage products and convenience stores. Kellogg Company thereafter objected to that use and sued Exxon for trademark infringement and dilution, seeking to enjoin Exxon's new uses of the Cartoon Tiger. Did the Court of Appeals err in ruling that Kellogg should not be precluded from seeking prospective injunctive relief barring Exxon's new uses of the Cartoon Tiger?

THE PARTIES

Kellogg Company ("Kellogg") is the Respondent in this action. Kellogg has no corporate parent, and no publicly held company owns 10% or more of Kellogg's stock.

The Petitioner in this action is Exxon Mobil Corporation, which will be referred to herein as "Exxon," as it is in the Petitioner's Petition for Writ of Certiorari and as it was in the proceedings below.

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I. STATEMENT OF THE CASE

The petition for writ of certiorari of Exxon Mobil Corporation ("Exxon") should be denied because (1) there is no intercircuit conflict on whether laches can bar injunctive relief in trademark cases, and Exxon's petition does not concern an unsettled area of law requiring clarification by this Court; and (2) unique factual issues are present in this case, rendering unnecessary an additional review by the Supreme Court.

II. STATEMENT OF FACTS.[1]

A. Kellogg's TONY THE TIGER® Is A Famous Trademark.

Kellogg first used its anthropomorphic cartoon tiger, TONY THE TIGER®, in 1952 in connection with its introduction of KELLOGG'S FROSTED FLAKES® cereal. Since 1953, TONY THE TIGER® has appeared on every box of KELLOGG'S FROSTED FLAKES® cereal, in every television and print advertisement for that product, and in all related promotional items. From 1952 to 1995, gross sales of KELLOGG'S FROSTED FLAKES® cereal in the United States totaled more than $5.3 billion and related television advertising, print advertising and promotional

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[1] The facts in this opposition are derived from the over-3000 page Joint Appendix submitted by the parties to the Court of Appeals, as well as from the unchallenged portions of the Court of Appeals' opinion.

expenditures exceeded $1 billion. Thus, several generations of consumers have experienced continuous, extensive exposure to TONY THE TIGER® through multiple marketing channels.[2]

Given the continuity and extent of Kellogg's use, advertising and promotion of TONY THE TIGER® for over 48 years, it is clear that TONY THE TIGER® is not only famous in the cereal and breakfast food market, but his fame and recognition permeate the entire food category. Indeed, TONY THE TIGER® is among a select group of food product characters that are instantly recognizable American icons.

B. Exxon's Abandonment Of The Cartoon Tiger In The 1980s.

Exxon first used its Cartoon Tiger in connection with its "Put a Tiger in Your Tank" advertising campaign in the mid-1960s to promote Exxon "Extra" gasoline. In 1965, Exxon obtained its only federal registration for the Cartoon Tiger (head design only), which registration is limited to "motor fuels." Exxon thereafter used the Cartoon Tiger intermittently in advertising and promotion,

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[2] For decades, Kellogg has featured TONY THE TIGER® on various promotional premium items, on cereal packaging with other third party food and beverage products such as fast foods, candy and gum, on Kellogg's licensed products (*e.g.*, hats, plush toys and coffee mugs) and other premium items. TONY THE TIGER® has also appeared for decades in costume at various Kellogg-related and other promotional events. Thus, consumers have become accustomed to seeing TONY THE TIGER® with food and beverage products other than cereal, and in non-food contexts as well.

and used the head design of the Cartoon Tiger on its premium grade gasoline pumps. After 1972, Exxon's use of the Cartoon Tiger to promote motor fuels began to decline, until the 1980s when it was discontinued and replaced with a live or realistic tiger.

Thus, although Kellogg was aware of Exxon's use of the Cartoon Tiger in the 1960s and early 1970s, that use so diminished over the ensuing 15-20 years that Kellogg reasonably believed that Exxon had abandoned the Cartoon Tiger altogether. Indeed, the Court of Appeals outlined Exxon's intentional efforts to discontinue use of the Cartoon Tiger in the 1980s, and the extensive evidence that any such use during the 1980s "was a sham to protect its rights in the mark." *See Kellogg Co. v. Exxon Corp.*, 209 F.3d 562, 565-66, 576 (6th Cir. 2000), Exxon Petition, Appendix A (hereinafter "App. A") at 3-7, 30. Given the record below, the Court of Appeals reversed the district court's grant of summary judgment on Kellogg's claim that Exxon abandoned the Cartoon Tiger during that time period.

C. Exxon's Reintroduction Of The Cartoon Tiger In The 1990s To Directly Promote Foods, Beverages and Convenience Stores.

During the 1990s, Exxon commenced using the Cartoon Tiger for the first time to promote food and beverage products, including its own private label coffee and other beverages. As the Court of Appeals acknowledged:

> "In the early 1990s, after the *Exxon Valdez* oil spill, Exxon changed the appearance of its cartoon tiger, making it 'more endearing, warm,

> and friendly.' In the words of Exxon's principal artist, 'Today's tiger is now cast in a more humanitarian role. He is polite to the elderly, plants trees for ecology and has an overall concern for the environment.' Exxon also began to expand the use of its cartoon tiger. Although Exxon had opened its first company-operated convenience store in 1984, it was not until the early 1990s that Exxon began to use its cartoon tiger to promote the sale in those stores of certain food and beverages, such as Domino's Pizza, Coca Cola, Pepsi Cola, Lays Potato Chips, and Dunkin Donuts. Exxon also began using its cartoon tiger to promote its own private label beverage, 'Wild Tiger,' and its own private label coffee, 'Bengal Traders.' " (209 F.3d at 566 (App. A. at 7).)

Thus, this case is not about "thirty years of peaceful coexistence," but about Exxon's abandonment of its Cartoon Tiger in the 1980s, and its reintroduction of a redrawn Cartoon Tiger in the 1990s in the new areas of food, beverages and convenience stores. Indeed, the record below supports Kellogg's argument concerning Exxon's bad faith infringement, namely, that Exxon, despite knowing of the similarities and the strong likelihood of consumer confusion between the two marks, actively and affirmatively misled Kellogg about its plans for the Cartoon Tiger. The Court of Appeals described the scheme as follows:

> "On November 3, 1992, having learned of Exxon's reintroduction of its cartoon tiger in Canada and Argentina, Kellogg's trademark counsel complained about that use in a telephone conversation with an Exxon attorney and

> was advised that Exxon had been using its cartoon tiger in the United States as well. Kellogg immediately requested examples of such use, and on November 20, 1992, Exxon sent Kellogg a compilation of 14 examples of promotional materials appearing in the United States featuring its cartoon tiger. *Not one of those examples disclosed Exxon's use of its cartoon tiger to promote food and beverage items or its new 'Tiger Mart' stores.*" (209 F.3d at 576, App. A at 8; emphasis added.)
>
> * * *
>
> "[T]he evidence suggests that in 1992, when Kellogg requested examples of Exxon's then-current use of its cartoon tiger in the United States, Exxon did not include a single example of its cartoon tiger used in connection with the sale of food items, *leading Kellogg to believe that Exxon's use of its cartoon tiger in the United States was limited to the promotion of petroleum products.*" (209 F.3d at 574 (App. A at 25-26); emphasis added.)

In light of the above facts and others discussed in section III.B. below, any analysis of the equities on the issue of Kellogg's alleged delay in bringing this suit strongly supports Kellogg's right to enjoin Exxon's ongoing infringement and dilution of Kellogg's TONY THE TIGER®.

III. REASONS FOR DENYING CERTIORARI.

A. The Sixth Circuit's Rules Applicable To Laches And Acquiescence In Trademark Cases Do Not Conflict With The Law Of Other Circuits, And Are Consistent With Previous Decisions Of This Court.

While the Sixth Circuit has articulated a general rule that "laches" does not bar injunctive relief, it has also articulated a general rule that "acquiescence" can bar injunctive relief. The conduct (or lack of conduct) on the part of plaintiffs which the Sixth Circuit has found to constitute "acquiescence" resembles that which other Circuits have found to constitute "laches" sufficient to bar injunctive relief. Essentially all circuit court analyses gauge the degree of delay, prejudice and other relevant conduct of the plaintiff in assessing whether equity warrants barring monetary relief, injunctive relief or both.

1. The Equitable Standard For Barring Injunctive Relief In The Sixth Circuit.

The Sixth Circuit has articulated the general rule that "laches" does not bar injunctive relief, but that "acquiescence" does. *See Kellogg*, 209 F.3d at 568-69, App. A at 12-13; *Elvis Presley Enterprises v. Elvisly Yours, Inc.*, 936 F.2d 889, 936 (6th Cir. 1991). While "both laches and acquiescence require proof that the party seeking to enforce its trademark rights has unreasonably delayed pursuing litigation and as a result, materially prejudiced the alleged infringer, acquiescence requires more." *Kellogg*, 209 F.3d at 569, App. A at 13.

In *Tandy Corp. v. Malone & Hyde, Inc.*, 769 F.2d 362, 366, fn. 2 (6th Cir. 1985), *cert. denied*, 476 U.S. 1158 (1986), the Sixth Circuit, relying upon Seventh Circuit and Third Circuit authority, found that conduct (or lack thereof) on part of plaintiffs which was sufficient to bar injunctive relief included "some affirmative conduct in the nature of an estoppel, . . . or conduct amounting to 'virtual abandonment'. . . . " Citations omitted. In *Elvis Presley Enterprises*, the Sixth Circuit – relying this time on Fourth Circuit authority – broadly defined "acquiescence" as requiring a " 'finding of conduct on the plaintiff's part that amounted to an assurance to the defendant, express or implied, that plaintiff would not assert his trademark rights against the defendant.' " 936 F.2d at 894.

This same principle was cited by the Court of Appeals in the case at bar. 209 F.3d at 569, App. A at 13. Thus, it is clear that in the Sixth Circuit, conduct sufficient to bar injunctive relief runs the gamut from lengthy inaction or implied assurance of non-action, to express assurance of non-action and misleading conduct. *See id.; see also TWM Mfg. Co., Inc. v. Dura Corp.*, 592 F.2d 346, 347, 349-350 (6th Cir. 1979).

2. The Equitable Standard For Barring Injunctive Relief In Other Circuits Is Consistent With That Of The Sixth Circuit.

Exxon has endeavored to portray the Sixth Circuit as a "rogue" circuit, applying an aberrational standard of delay-related estoppel sufficient to bar injunctive relief. Close examination of other circuits' decisions, however,

shows that the conduct (or lack of conduct) found sufficient to constitute "laches," "acquiescence" or an "estoppel" sufficient to bar prospective injunctive relief is essentially the same as the "acquiescence" standard articulated by the Sixth Circuit. In sum, the circuit courts are in harmony on this issue.

The Fourth Circuit's standard for "estoppel by laches" is very similar to that of the Sixth Circuit:

> "In a trademark case, courts may apply the doctrine of estoppel by laches to deny relief to a plaintiff who, though having knowledge of an infringement, has, to the detriment of the defendant, unreasonably delayed in seeking redress. . . .
>
> "However, the doctrine is sparingly applied where, as here, a plaintiff seeks only equitable relief. . . . Moreover, in consideration of the public interest, estoppel by laches may not be invoked to deny injunctive relief if it is apparent that the infringing use is likely to cause confusion." (*Sara Lee Corp. v. Kayser-Roth Corp.*, 81 F.3d 455, 460-463 (4th Cir.), *cert. denied*, 519 U.S. 976 (1996).)

In articulating this standard, the Fourth Circuit in *Sara Lee* recited Professor McCarthy's analysis as follows:

> "[Laches] cases involving the denial of injunctive relief usually present one or more aggravating factors causing the balance of equities . . . to shift even further to the defendant's advantage. These factors include (1) delay during which the mark passed into usage as a generic name, (2) a grossly long period of delay, (3) dubious proof of likelihood of confusion; (4) doubt as to the plaintiff's title to the mark; (5) prior business

> dealings between the parties that result in the plaintiff impliedly consenting to the defendant's infringement, and (6) the defendant's good faith development of a specific territorial area." (81 F.3d at 461 n.8.)

Accordingly, Professor McCarthy concludes that "a review of some of the cases in which an injunction was denied reveals that in most of them there were some *plus factors in addition to mere delay and resulting prejudice.*" 5 *McCarthy On Trademarks*, § 31:7 at 31-21 (4th ed. 2000) (emphasis added).

Thus, in the Fourth Circuit case that Exxon claims is "in tension" with the Court of Appeals' opinion here, *i.e.*, *Ambrosia Chocolate Co. v. Ambrosia Cake Bakery, Inc.*, 165 F.2d 693 (4th Cir.1947), *cert. denied*, 333 U.S. 882 (1948), the Court of Appeals encountered the fifth "plus factor." As the Fourth Circuit explained:

> "In *Ambrosia*, the chocolate company's sales representative tried to sell the bakery certain ingredients to be used in the manufacture of the latter's cakes. Afterward, the chocolatier's vice-president *sent a letter to the bakery, urging that the two companies transact business* and noting 'that the name 'Ambrosia' of your company was the same as ours increased our interest, you may be sure.' Eight years later, the chocolate company finally became interested enough to file suit seeking to enjoin the bakery from further use of the 'Ambrosia' trademark. The district court dismissed the complaint, and we affirmed, holding, *inter alia*, that the suit was barred by 'laches, acquiescence, and estoppel . . . ' " (*Sara Lee*, 81 F.3d at 461, n. 8; *quoting Ambrosia*, 165 F.2d at 694; emphasis added.)

The Seventh Circuit has long articulated standards for "laches" and "estoppel" similar to those of the Sixth Circuit. In *Seven-Up Co. v. O-So-Grape Co.*, 283 F.2d 103, 106 (7th Cir. 1960), *cert. denied*, 365 U.S. 869 (1961), the court stated that "[m]ere delay in bringing suit ordinarily does not affect the right to an injunction against further use of an infringed trademark. . . . Laches does not necessarily constitute a conclusive and automatic bar to injunctive relief in trademark actions. However, in many instances, the delay may be so prolonged and inexcusable that it would be inequitable to permit the plaintiff to seek injunctive relief as to future activities." In *Seven-Up*, the Seventh Circuit affirmed a denial of injunctive relief not only because of delay and prejudice, but a number of other equitable considerations.[3]

The Seventh Circuit continues to apply the same standard today. In *Hot Wax, Inc. v. Turtle Wax, Inc.*, 191 F.3d 813, 824 n.3 (7th Cir. 1999), that court acknowledged that "although laches may bar a plaintiff from recovering damages . . . 'upon a showing of infringement . . . the plaintiff may still be entitled to injunctive relief . . . '

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[3] In *Seven-Up*, the plaintiff had originally sued the defendant in 1943 alleging that defendant's "Bubble Up" mark for soft drinks infringed its "7 Up" mark for soft drinks; abandoned that lawsuit in 1946 after adverse rulings in its separate infringement suit against use of the "Cheer Up" mark for soft drinks; and waited 13 years to re-file essentially the same lawsuit in 1959, during which time period the plaintiff and defendant frequently communicated on, among other topics, their joint desire that the term "Up" not become generic in the soft drink industry. 283 F.2d at 104-106.

because of the continuous nature of trademark infringement." Quoting *James Burrough, Ltd. v. Sign of Beefeater, Inc.* ("*James Burrough II*"), 572 F.2d 574, 578 (7th Cir.1978) (second ellipses in orig.). In *Hot Wax*, the defendant, a direct competitor of plaintiff, made the same allegedly false advertising claims with the plaintiff's knowledge for 20 years prior to any objection being made, and the plaintiff offered no explanation for its inactivity during that time period. 191 F.3d at 823-24.

The District of Columbia Circuit's application of its laches standard similarly requires something beyond mere delay and prejudice to bar injunctive relief. For example, in *N.A.A.C.P. v. N.A.A.C.P. Legal Defense & Educational Fund, Inc.*, 753 F.2d 131, 137-139 (D.C.Cir.), *cert. denied*, 472 U.S. 1021 (1985), the court barred the plaintiff's injunctive relief because (1) the plaintiff delayed for 13 years during which the defendant made substantial investment in the mark at issue; (2) it was "undisputed that the [plaintiff] had knowledge of the [defendant's] alleged infringement;" and (3) the defendant's use of the mark at issue resulted from the plaintiff's affirmative "conduct that *encouraged continued use of the trademark.*" Emphasis added.

The Third Circuit also recognizes a distinction between the type of "laches" that is sufficient to bar monetary relief, and that which is sufficient to bar all relief. In *University of Pittsburgh v. Champion Products Inc.*, 686 F.2d 1040, 1044-1045 (3d Cir.), *cert. denied*, 459 U.S. 1087 (1982), the Third Circuit explained this dual standard as follows:

> "In the trademark context, the concepts of 'mere delay' or 'laches without more,' although confusing as a matter of semantics . . . , are nonetheless relevant in two ways.
>
> "First, there is that narrow class of cases where the plaintiff's delay has been so outrageous, unreasonable and inexcusable as to constitute a virtual abandonment of its right. . . . Second, there is the much more common situation in which the plaintiff's less egregious delay will bar its claim for an accounting for past infringement but not for prospective injunctive relief."

The Third Circuit in *University of Pittsburgh* rejected the defendant's argument that the plaintiff's delay and prejudice to defendant barred the plaintiff's claims for injunctive relief; it did so on the grounds that the defendant progressively encroached upon plaintiff's rights, and that the detriment to defendant did not warrant denying prospective relief. *See* 686 F.2d at 1046, 1047-49.

The Fifth Circuit has articulated its standard as follows:

> "A finding of laches alone ordinarily will not bar the plaintiff's request for injunctive relief, although it typically will foreclose a demand for an accounting or damages . . . This is because courts construe the plaintiff's unreasonable delay to imply consent to the defendant's conduct, which amounts to nothing more than a revocable license; the license is revoked once the plaintiff objects to the defendant's infringement . . . In cases where the defendant actually relies upon the plaintiff's *affirmative act*, however, the fiction of implied consent is inapplicable and an injunction may not issue." (*Conan Properties, Inc.*

> *v. Conans Pizza, Inc.*, 752 F.2d 145, 152 (5th Cir. 1985) (emphasis added).

Thus, the Fifth Circuit, like the Sixth and others outlined above, ordinarily requires an "affirmative act" by the plaintiff upon which the defendant relies in order to bar injunctive relief.

In the Eleventh Circuit, the courts have applied a "flexible" standard of "laches," requiring a weighing of the equities and an assessment of the strength of the plaintiff's case. *See Kason Industries, Inc. v. Component Hardware Group, Inc.*, 120 F.3d 1199, 1207 (11th Cir. 1997). The Eleventh Circuit recently articulated its standard as follows:

> "Generally, laches will not bar an injunction against an intentional infringer. But it is not correct to state that cases of intentional infringement are the only cases where injunctive relief might be appropriate despite a plaintiff's delay. Instead, the equitable nature of estoppel by laches must be foremost in the court's mind. Thus, if the likelihood of confusion is inevitable, or so strong as to outweigh the effect of the plaintiff's delay in bringing a suit, a court may in its discretion grant injunctive relief, even in cases where a suit for damages is appropriately barred . . . The district court must weigh the equities of the case and the strength of [plaintiff's] case when determining whether injunctive relief is appropriate. This issue will 'require a careful, fact-intensive consideration,' and thus we 'leave it for the district court and its informed discretion on remand.' " (*Id.* at 1207 (*quoting SunAmerica Corp. v. Sun Life Assur. Co. of Canada*, 77 F.3d 1325, 1346 (11th Cir. 1996)).)

In *Conagra, Inc. v. Singleton*, 743 F.2d 1508, 1517 (11th Cir. 1984), a case cited by Exxon for the proposition that the Eleventh Circuit is in "direct conflict" with the Sixth Circuit, the Court first rejected the defendant's laches claim as applied to one mark because the plaintiff did not become aware of defendant's direct competition until after the lawsuit commenced. 743 F.2d at 1517. With regard to a separate mark, the Eleventh Circuit remanded for a determination of whether laches barred all relief on the grounds that the plaintiff had delayed suit for 10 years, had engaged in acts of "encouragement in the form of sales to the defendant," provided "no justification" for its delay, and caused some undetermined amount of prejudice to the defendant. *Id.* at 1517-18. Thus, like the Sixth Circuit, the Eleventh Circuit relied upon affirmative acts by the plaintiff and a failure to explain the delay in remanding for an assessment of whether laches should bar injunctive relief.

Exxon cites cases in the Second and Ninth Circuit as being in "clearest conflict" with the Sixth Circuit. However, a close review of those "laches" decisions discloses conduct, or a lack thereof, and other facts which bear a close resemblance to the "acquiescence" standard articulated by the Sixth Circuit. For example, in *Saratoga Vichy Spring Co. v. Lehmann*, 625 F.2d 1037, 1041-42 (2d Cir. 1980), the court barred the plaintiff's claim for injunctive relief where the plaintiff delayed *69 years* in bringing suit and *encouraged the defendant's use* of the mark in correspondence. Thus, *Saratoga* involved a grossly long period of delay and affirmative acts of implied, if not actual, consent.

In *Polaroid Corp. v. Polarad Electronics Corp.*, 287 F.2d 492, 494 (2d Cir.), *cert. denied*, 368 U.S. 820 (1961), the district court had dismissed the plaintiff's claims after a bench trial on the grounds that plaintiff failed to prove infringement, as well as on laches grounds. *See Polaroid Corp. v. Polarad Electronics Corp.*, 182 F.Supp. 350, 352-55 (E.D.N.Y. 1960). Thus, in addition, to the fact that the defendant used the mark at issue continuously for 11 years with plaintiff's knowledge, the Second Circuit acknowledged the weakness of the plaintiff's claim on likely confusion. *See Polaroid*, 287 F.2d at 495. Other Second Circuit decisions barring injunctive relief on laches grounds also involve elements of the Sixth Circuit's "acquiescence" standard. *See Dwinnel-Wright Co. v. White House Milk Co.*, 132 F.2d 822, 824, 825 (2d Cir. 1943) (20-year delay during which the plaintiff sold products to defendant, suggested a joint venture with the defendant, and contributed to the joint advertising of the marks at issue, amounting to "plaintiff's implied assurance" that it had no grievance).

In determining whether "laches" may bar injunctive relief, the Ninth Circuit applies a flexible balancing test which:

> "requires the district court to consider a variety of factors, including (1) the strength and value of the trademark rights asserted; (2) the senior user's diligence in enforcing the mark; (3) the harm to the senior user if relief is denied; (4) whether the junior user acted in good faith ignorance of the senior's rights; (5) the degree of competition between senior and junior users; and (6) the extent of harm suffered by the junior

> user because of the senior user's delay in asserting his rights. (*American Intern. Group, Inc. v. American Intern. Bank*, 926 F.2d 829, 831 (9th Cir. 1991); *citing E-Systems, Inc. v. Monitek, Inc.*, 720 F.2d 604, 607 (9th Cir. 1983).

In addition, Ninth Circuit decisions, as well as those of other circuits, recognize that while "laches" may bar injunctive relief, "no laches will be found where the defendant's interference with plaintiff's rights is minimal or inconsequential . . . , [or] where the defendant's encroachment is steady but slow." *Carter-Wallace, Inc. v. Procter & Gamble Co.*, 434 F.2d 794, 804, fn. 4 (9th Cir. 1970); *accord, Brookfield Communications, Inc. v. West Coast Entertainment Corp.*, 174 F.3d 1036, 1060 (9th Cir. 1999).

In *Prudential Ins. Co. v. Gibraltar Financial Corp.*, 694 F.2d 1150, 1153-55 (9th Cir. 1982), *cert. denied*, 463 U.S. 1208 (1983), the Ninth Circuit barred the plaintiff's claim for injunctive relief on a number of grounds which go beyond mere delay and prejudice. Not only did the plaintiff delay bringing suit for 28 years, but the court also rejected plaintiff's claim that defendant had altered its mark to more closely resemble that of the plaintiff, and found that the plaintiff's survey evidence "failed to show any confusion." *Prudential*, 694 F.2d at 1156.

Thus, all circuits will bar injunctive relief in trademark cases where the plaintiff has delayed in bringing suit, the defendant has detrimentally relied upon that delay, and a weighing and balancing of the facts and equities warrant such a ruling. While the label which the circuits have applied to this analysis has differed (*e.g.*, "laches," "estoppel" or "acquiescence"), there has been little or no difference in the equitable application of the

rule. As a result, the "question presented" by Exxon's petition, therefore, is nothing more than whether the Sixth Circuit should be required to use the word "laches" instead of "acquiescence" in deciding whether to bar injunctive relief. This semantical issue is unworthy of Supreme Court review.[4]

Because the Circuits' decisions on laches and acquiescence are not in conflict, Exxon's "forum shopping" and "national uniformity" arguments lack merit, and provide no basis for granting certiorari here. Indeed, this case was filed nearly four years ago, and a grant of certiorari will only serve to further delay a trial on the merits. Kellogg has established its entitlement to such a trial, and the interests of judicial economy and fairness warrant a denial of certiorari here.

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[4] Exxon's further argument that the Court of Appeals' decision is inconsistent with prior decisions of this Court is wrong. *McLean v. Fleming*, 96 U.S. 245, 253 (1877) and *Menendez v. Holt*, 128 U.S. 514, 523-24 (1888) established the general rules that delay in seeking relief ordinarily will not bar injunctive relief; that under certain circumstances (such as long delay or acts of encouragement), monetary or injunctive relief may be limited or barred; and that in the case of a knowing and intentional infringement, laches will not bar injunctive relief. In *Creswill v. Grand Lodge Knights of Pythias of Georgia*, 225 U.S. 246, 262-63 (1912), this Court found that under the facts and equities of that case, including 25 years of delay, no evidence of confusion, and no evidence of knowing infringement or harm to the plaintiff, no injunctive relief should be ordered. These cases, like those in the Sixth Circuit and other circuits, recognize that under certain situations, laches or acquiescence may bar injunctive relief. The Court of Appeals ruled here, however, that no such circumstances were present in this case.

B. This Case Is Unsuitable For Resolving Any Purported Conflict Among The Circuits Due To Its Unique Facts.

Given the unique factual record in this case, no form of estoppel, whether it is called laches or acquiescence, should bar, as a matter of law, Kellogg's claims for prospective injunctive relief. A number of key findings and rulings by the Court of Appeals in this case – none of which are challenged by Exxon here – establish this point.

First, in its petition, Exxon clings to the district court's erroneous analysis by framing the issue before this Court as whether laches is available where Exxon allegedly "used its Cartoon Tiger for over thirty years" in connection with unrelated goods before Kellogg filed suit. The Court of Appeals' ruling, however, hinged on the district court's erroneous measurement of delay from the 1960s. *See* 209 F.3d at 573, App. A at 24-25. In analyzing the factual record, the Court of Appeals ruled that the district court should have measured delay from the point at which Exxon began to use its Cartoon Tiger in connection with the sale of food, beverages and retail convenience stores, i.e., in either the 1980's or 1990s, a point about which the Court of Appeals found there were genuine issues of material fact. *Id.*

Exxon therefore cannot establish that there is no genuine issue of material fact on the first element of laches and acquiescence, i.e., unreasonable delay, and further analysis of this issue by this Court is unwarranted. This Court should decline Exxon's invitation to undertake a detailed review of the factual record below.

Second, the Court of Appeals ruled that there were genuine issues of material fact as to whether Exxon abandoned use of its Cartoon Tiger during the 1980s. Such a disputed factual issue eliminates Exxon's argument that the alleged "thirty years of peaceful coexistence" warrants Supreme Court review of whether laches is available to foreclose injunctive relief here.

It also strongly supports Kellogg's argument that it reasonably believed Exxon had abandoned the Cartoon Tiger altogether in the 1980s. Obviously, delay cannot be measured from the 1960s, 1970s or 1980s, when there are fact issues as to whether Exxon abandoned the Cartoon Tiger during the latter decade and as to Kellogg's knowledge of Exxon's use of the Cartoon Tiger.

Third, even assuming this Court were to review whether there were genuine issues of material fact on the reasonableness of Kellogg's alleged delay, Exxon would still have to overcome the unique facts applicable to (1) Kellogg's progressive encroachment argument (see *Kellogg*, 209 F.3d at 566-567, 573-575, App. A. at 8-9, 22-29.), and (2) Kellogg's other arguments that the equities strongly favor rejection of any laches defense.

The Court of Appeals, like many other circuits, recognized that any alleged delay by a plaintiff is excused where "the nature of defendant's infringement is such that the plaintiff's claim has yet to ripen into one sufficiently colorable to justify litigation." 209 F.3d at 570, App. A at 16. In order to fully address the laches issue, therefore, this Court would have to resolve Kellogg's progressive encroachment claim by "perform[ing] a likelihood of confusion analysis," including a fact-intensive

assessment of all factors relevant to that determination. *See Kellogg*, 209 F.3d at 573.

On the record below, there is a strong likelihood of confusion caused by Exxon's use of the Cartoon Tiger to promote food, beverages and convenience stores. For example, there is no disputing that very few, if any, character marks in the food category (or any category of consumer goods) have attained the level of fame and notoriety of TONY THE TIGER®. The strength of Kellogg's mark, coupled with Kellogg's proof of consumer confusion[5], strongly support a finding of a likelihood of confusion here. Thus, not only does Exxon face a strong claim for progressive encroachment, but the equities weigh against any application of laches or acquiescence as a bar to injunctive relief.[6]

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[5] Kellogg's confusion surveys showed that approximately 25 percent of convenience store consumers believed that a beverage cup featuring the Exxon Cartoon Tiger had been sponsored or promoted by Kellogg based upon the appearance of the Cartoon Tiger on the cup. Such a showing is strongly probative of likely confusion. *See James Burrough, Ltd. v. Sign of Beefeater, Inc.* (*"James Burrough I"*), 540 F.2d 266, 278-279 (7th Cir. 1976). In addition, Exxon's own consumer research, conducted in 1993, showed that the new use of the Cartoon Tiger on convenience food store signs was confusing with TONY THE TIGER®. Finally, Kellogg also has evidence of actual confusion.

[6] *See Resorts of Pinehurst, Inc. v. Pinehurst Nat. Corp.*, 148 F.3d 417, 423 (4th Cir.), *cert. denied*, 525 U.S. 1051 (1998) (plaintiff's "strong proof of likelihood of confusion – indeed, actual confusion – trumps the defenses of laches and acquiescence"); *Kason Industries, Inc. v. Component Hardware Group, Inc.*, 120 F.3d 1199, 1207 (11th Cir. 1997) ("the equitable nature of estoppel by laches must be foremost in the court's mind. Thus, if the likelihood of confusion is inevitable, or so

On the issue of Exxon's intentional infringement, the Court of Appeals ruled that the district court's failure to assess whether there were genuine issues of material fact on the issue of bad faith infringement by Exxon was erroneous. 209 F.3d at 577, App. A at 32. This is especially important given the well-established equitable principle that laches is no defense to an intentional infringement.[7]

On the district court record, it is undisputed that Exxon was aware of Kellogg's TONY THE TIGER® when

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strong as to outweigh the effect of the plaintiff's delay in bringing a suit, a court may in its discretion grant injunctive relief, even in cases where a suit for damages is appropriately barred"); *Restatement (Third) of Unfair Competition* § 31, cmt. e (1995) ("because of the public interest in preventing the deception of consumers, delay by the trademark owner will not ordinarily disable it from obtaining an injunction if there is strong evidence of likely or actual confusion").

[7] *See Induct-O-Matic Corp. v. Inductotherm Corp.*, 747 F.2d 358, 362 (6th Cir. 1984) ("a party claiming the benefit of an equitable estoppel must have proceeded with the utmost good faith"); *Harlequin Enterprises Ltd. v. Gulf & Western Corp.*, 644 F.2d 946, 950 (2d Cir. 1981) ("laches is not a defense against injunctive relief when the defendant intended the infringement"); *Grove Laboratories v. Brewer & Co.*, 103 F.2d 175, 185 (1st Cir. 1939) ("As to laches and acquiescence, it has been repeatedly held, in cases where defendants acted fraudulently or with knowledge of plaintiffs' rights, that relief by injunction would be accorded although an accounting of profits should be denied."); *Restatement (Third) of Unfair Competition* § 31, cmt. e (1995) ("Evidence establishing that the defendant intended to capitalize on the good will of the trademark owner through confusion is generally sufficient to overcome a laches claim raised against a request for injunctive relief. The intent to deceive not only undermines the defendant's claim to equity but also is evidence that an injunction is necessary to prevent the confusion of prospective purchasers.").

it reintroduced the Cartoon Tiger in the 1990s. In addition, as outlined above, the Court of Appeals found that when Exxon reintroduced its Cartoon Tiger in the 1990s, it did so in a revised form which Kellogg contended brought it closer in appearance and personality to TONY THE TIGER®. Exxon then proceeded to use the Cartoon Tiger to promote its convenience stores, even though its own research showed that consumers identified the Cartoon Tiger as TONY THE TIGER®. Exxon's bad faith is further exemplified by the Court of Appeals' finding that Exxon misled Kellogg in 1992 with regard to Exxon's use of the Cartoon Tiger to promote foods, beverages and convenience stores. *See* § II.C., *supra*.

Given the unique facts outlined above, it is clear that this case neither "squarely," "cleanly" nor "directly" raises any issue on laches, acquiescence or estoppel. The facts pertaining to Exxon's abandonment of the Cartoon Tiger, Exxon's progressive encroachment and new use of the Cartoon Tiger with foods, beverages and convenience stores, the strong likelihood of confusion and Exxon's bad faith strongly tip the equities against any application of laches, acquiescence or estoppel, and provide no opportunity to clarify any alleged conflict among the circuits.

Indeed, given the invariably fact-intensive and equitable nature of the vast majority of decisions addressing laches or acquiescence, any effort by this Court to craft a "one size fits all" standard on this equitable issue will serve no useful purpose. Moreover, on the record present here, it is clear that the Court of Appeals correctly ruled that, as a matter of law, Kellogg did not acquiesce in Exxon's use of the Cartoon Tiger to promote foods, beverages and convenience stores. Thus, it is clear that the

District Court granted summary judgment improvidently, and that review of the Court of Appeals' reversal of that ruling is unwarranted.

IV. CONCLUSION.

For all of the above reasons, Exxon's petition for writ of certiorari should be denied.

Respectfully submitted,

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September 14, 2000